

Iowa Utilities Board

August 28, 2012 Workshop

**Proposed High Voltage Transmission
Lines in Iowa**

IUB Docket No. NOI 2011-0002

Board Staff Presentation

Inquiry Initiation

- On August 16, 2011, IUB issued an order opening an inquiry on high voltage transmission-related issues in Iowa
- Inquiry goals were:
 - Gather information on specific projects that were being developed in Iowa by various entities (incumbent utilities and others)
 - Receive comments from stakeholders on transmission-related policies

Inquiry Participants

- Initial comments were filed by:
 - Iowa Association of Electric Cooperatives
 - MidAmerican Energy Company (MEC)
 - ITC Holdings Corp. - ITC Midwest (ITCM)
 - Rock Island Clean Line LLC
 - Wind on Rails Inc.

Inquiry Participants (cont.)

- Additional comments were filed by:
 - Ag Processing, Inc.
 - Iowa Association of Municipal Utilities (IAMU)
 - Interstate Power and Light Company (IPL)
 - Wind on the Wires (WOW)
 - Iowa Office of Consumer Advocate (OCA)
 - Missouri River Energy Services (MRES)
 - The Environmental Law & Policy Center and Iowa Environmental Council (Environmental Group)
 - Resale Power Group of Iowa
 - Midwest Independent System Operator (MISO)
 - Iowa Chapter of the Sierra Club (Sierra Club)

Inquiry Participants (cont.)

- Reply comments were filed by:
 - MidAmerican Energy company
 - Midwest Independent System Operator
 - Interstate Power and Light Company
 - Rock Island Clean Line LLC
 - Wind on Wire
 - American Transmission Company filed comments in August 2012

Specific Project Filings

- Combined Iowa Multi Value Projects (MVPs) (MVP #3 and #4)
 - Includes 345 kV lines, switches, and transformers, may include 161 kV upgrades
 - MEC and ITCM are project developers
- Ottumwa (IA) to Adair (MO) (MVP #7)
 - Includes 345 kV transmission lines, substations, may include 161 kV upgrades.
 - MEC and ITCM are project developers

Specific Project Filings (contd.)

- Oak Grove (IL) to Fargo (IL) (MVP #16)
 - 345 kV line, includes 161 kV upgrades
 - MEC and Ameren are project developers
- Midwest Line
 - Developers are -- Electric Transmission America (ETA) 50% and MEC subsidiary 50%
 - Two alternatives are under consideration
 - Adair County (IA) to Henry County (IL) 265 miles
 - Black Hawk County (IA) to Keokuk County (IA) to Louisa County (IA) to Henry County (IL) 235 miles

Specific Project Filings (contd.)

- Wind on Rails Inc.
 - 450 miles long DC line from Council Bluffs (IA) to Joliet (IL)
- Duke-American Transmission Co
 - Seven phases, across five states, Iowa project includes, 161 kV, 345 kV, 435 miles of 500 kV HVDC, and one HVDC terminal
- Rock Island Clean Line
 - One bi-pole 600 kV, 500 mile line w/one convertor each in IA and IL
 - Developer is Clean Line Energy Partners – ZAM Ventures and Michael Zilkha (TX)

Specific Project Filings (contd.)

- American Transmission Company
 - Cardinal Bluffs Project (Portion of MVP#5), 12-16 miles of 345 kV line in Dubuque County Iowa. Project crosses Mississippi river. Large portion of the project is in Wisconsin.

Participant – Key Concerns and Policy Recommendations

- ROE adders for interregional transmission projects could substantially increase transmission project costs (MRES)
- MISO MVP portfolio cost allocation mechanism reflects a significant shift in transmission planning protocol as it emphasizes wind resource development. State approval of MVPs be conditioned on an independent, credible demonstration of need, including clearly-defined public policy, where applicable (OCA)

Participant – Key Concerns and Policy Recommendations (Contd.)

- Transmission lines that will have negative impacts should not be built. Applicants should provide the reason for the line (serve coal, nuclear, renewables), use of DSM and EE, stakeholder involvement (Environmental group)
- A new standard into the transmission line siting process related to renewable energy use be introduced that prioritizes renewable energy (Sierra Club)

Participant – Key Concerns and Policy Recommendations (Contd.)

- Concerned about severe local cost impacts during the development of the MVPs. Municipal ownership of transmission lines should be encouraged by the Board (IAMU)
- Need for the proposed Direct Current (DC) lines (Clean Line and WOR) should be vetted through an inter-regional planning process (several commenters)
- Need for GPE and Midwest Line needs to be vetted through the inter-regional planning process (IPL)

Participant – Key Concerns and Policy Recommendations (Contd.)

- Information submitted in this docket demonstrates the need for transmission expansion in Iowa to further the state's clean energy and economic development goals (WOW)
- MVPs provide an average annual estimated value of \$1,279 million over the first forty years of service, at an estimated average annual revenue requirement of \$624 million. In siting proceedings, the Board should recognize the thoughtful review and not depart from prior Board precedent (MEC)

- Thanks for your input and participation